IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

(115)

RA-CR-133-CII-2016(O&M)
In FAO no.396 of 1999
Reserved on: 13.10.2025
Pronounced on: 28.10.2025

Charan Singh And Others ....Appellants

Versus

R.K.Dhawan @ Raghbir Kumar And Others .....Respondents

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present: Mr. Ashwani Talwar , Advocate for
for the applicant/respondent No.2.

Ms. H.K.Arora, Advocate with
for the non-applicants/claimants **(through Video conferencing).**

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VIRINDER AGGARWAL, J.

CM-10233-CII-2016

1. Applicant has filed an application for condonation of delay of 642 days in filing the review petition. Considering the facts, explanations offered, and in the interest of justice, and the application for condonation of delay is **allowed** and the delay of 642 days is hereby **condoned.**

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1. This present review petition has been filed seeking review of the judgment dated 09.07.2014 passed in FAO No. 396 of 1999, wherein compensation was enhanced for the death of the deceased, a male aged 46 years, employed as a Foreman in Germany. The review petitioner (Insurance Company) asserts that this Court mentioned providing for a 30% deduction

towards income tax liability on the deceased's income but did not apply the same in the actual computation of compensation, leading to an apparent error on the face of the record and an inflated computation of the award.

2. The deceased's income was certified as 5534.70 Deutsch Marks per month, converted at the exchange rate of Rs. 20 per Mark, yielding a monthly income of Rs. 1,10,694/-. The annual income was thus Rs. 13,28,328/-. In the judgment, a 50% deduction was applied towards personal expenses, considering the deceased maintained an independent household in Germany while his family resided elsewhere, resulting in an annual multiplicand of approximately Rs. 6,70,164/- (with minor arithmetical variation in the recorded figure due to rounding). Applying a multiplier of 11, the loss of dependency was computed at Rs. 73,71,804/-, with additional conventional heads leading to a total compensation of Rs. 75,97,000/- (rounded).

3. The learned counsel for the review petitioner contends that an additional 30% deduction for income tax should have been applied, as mentioned in the judgment as following:

> *"I would also see that his income tax liability at a higher bracket at 30% and provide for deduction and take an annual contribution after providing for deduction as made above at Rs. 6,70,154/-."*

Thus, It is contended that the omission of this deduction in the computation of the award resulted in an error in calculation. Consequently, the compensation was granted in excess and requires correction. This, it is argued, constitutes a valid ground for review under Order XLVII Rule 1 of the Code of Civil Procedure, 1908.

4. *Per Contra*, the learned counsel for the claimants argues that the compensation was rightly enhanced and that the monthly income of the deceased was already taken after accounting for the applicable income tax @30%, and no further tax deduction was needed. It is submitted that there is no error or oversight in the final order of the appeal that warrants interference, and the it should therefore be upheld as passed.

5. I have carefully considered the submissions made, and upon careful re-examination of the record, including the salary certificate dated 15.12.1993 (Ex.AW3/1), it is evident that the certified income of 5534.70 Deutsch Marks represents the net salary after deduction of applicable income tax. Since the salary figure (5534.70 Deutsch Marks) adopted by this court in appeal while calculating the reassessed compensation, was already net of tax. Therefore, any further deduction for income tax would amount to double deduction, which is impermissible and contrary to principles of just compensation under the Motor Vehicles Act, 1988.

6. The reference in the judgment to a 30% income tax deduction appears to be an observational note regarding the deceased's tax bracket as in salary certificate (Ex.AW3/1). However, the computation correctly proceeded on the net income without any additional tax subtraction. The multiplicand was derived after accounting only for the 50% personal expense deduction on the net figure, aligning with the evidence and precedents such as ***Sarla Verma v. Delhi Transport Corporation (2009) 6 SCC 121*** and ***United India Insurance Co. Ltd. v. Patricia Jean Mahajan (2002) 6 SCC 281***. There is no apparent error in the final computation that warrants modification, as the effective contribution to the family was appropriately assessed without redundant tax

adjustment. Therefore, the grievance raised in the review petition proceeds on an incorrect factual assumption that an additional deduction was required, overlooking that the base income was already net of tax.

7. In view of the above, the assertion in the review petition, while noting the textual reference to tax, does not establish a ground for altering the award, as the salary adopted was post-tax. The review application is accordingly **dismissed**.

8. Since the main case has been decided, pending miscellaneous application(s), if any, stands also disposed of.

(VIRINDER AGGARWAL)
JUDGE

28.10.2025
sourav pathania

(i)	*Whether speaking/reasoned*	*:*	*Yes/No*
(ii)	*Whether reportable*	*:*	*Yes/No*